

Concurrent Receipt

VFW's Concerns:

Military retirees with 20 years or more of service qualify for retirement pay based on the longevity of their service in uniform. These same retirees may also qualify for disability compensation for any injuries that were caused or aggravated by their military service. Prior to 2004, retirees could not receive both retirement pay and disability pay because it was deemed as a duplication of benefits, which is prohibited under Sections 5304 and 5305 of Title 38 United States Code. In 2004, the VFW pushed Congress to implement a phase-in of full concurrent receipt for retirees who are rated 50 percent disabled or greater.

As of July 2016, there were 486,632 retirees receiving concurrent receipt of combat-related special compensation and military retirement pay, with an additional 88,610 receiving concurrent retirement and disability payments. However, there are still approximately 450,000 military retirees who are receiving Department of Veterans Affairs (VA) disability compensation but are not eligible for concurrent receipt. The VFW has long argued that retired pay and VA service-connected disability compensation are fundamentally different benefits, granted for different reasons. Military retired pay is earned by 20 or more years of service in the U.S. Armed Forces, allowing retirees to maintain their standard of living while attempting to enter the civilian job market for the first time in the middle of their prime working years. Service-connected disability compensation is a benefit meant to supplement a veteran's lost earning potential as a result of the disabilities he or she incurred while in service.

Military retirees have the ability to purchase a Survivor Benefit Plan (SBP) to insure the military retiree's spouse has the ability to offset the loss of income from retirement pay when the military retiree dies before the spouse. If a veteran dies of a service-connected disability, the veteran's spouse qualifies for Dependent and Indemnity Compensation (DIC), which is intended to provide financial assistance for the surviving spouse who typically forgoes a career to help the disabled veteran maintain a modest quality of life. Surviving spouses who qualify for both have their SBP amount reduced by the amount provided by DIC. This offset is commonly known as the widow's tax because it reduces the limited income surviving spouses receive when their veterans die from service-related injuries or illnesses.

VFW's Solutions:

- Congress must pass H.R.303 or S.66, the *Retired Pay Restoration*, which would enable disabled retirees to concurrently receive the retirement pay and VA disability compensation they have earned and deserve, without offset.
- Congress must pass H.R.846, *Military Surviving Spouses Equity Act*, or S. 339, *Military Widow's Tax Elimination Act of 2017*, which would repeal the requirement for a reduction in benefits to ensure that surviving spouses no longer have their earned benefit taken away from them.